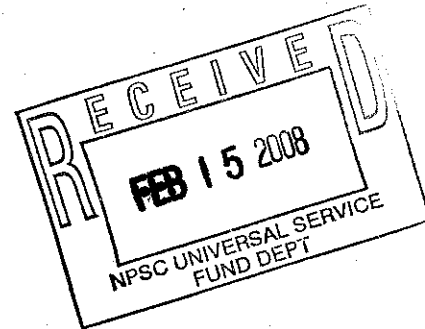


BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska) Application No. NUSF-64
Public Service Commission, on)
its own motion, seeking to)
investigate the use of expense)
caps in the earnings calculation)
for Nebraska universal service)
fund support.)
)
)
)
)
)



**REPLY TESTIMONY OF JEFFREY PURSLEY, DIRECTOR OF THE NEBRASKA
TELECOMMUNICATIONS INFRASTRUCTURE AND PUBLIC SAFETY DEPARTMENT**

Q: PLEASE STATE YOUR NAME FOR THE RECORD

A: Jeffrey Pursley. P-U-R-S-L-E-Y.

Q: BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A: I am the Director of the Nebraska Telecommunications Infrastructure and Public Safety (NTIPS) Department of the Nebraska Public Service Commission. The NTIPS Department oversees the operation of the Nebraska Universal Service Fund (NUSF).

Q: DID YOU FILE DIRECT TESTIMONY WITH THE COMMISSION ON FEBRUARY 1, 2008?

A: Yes.

Q: DID YOU HAVE AN OCCASION TO REVIEW THE DIRECT TESTIMONY FILED BY THE OTHER PARTIES IN THIS PROCEEDING?

A: Yes I have.

Q: WHAT IS THE PURPOSE OF YOUR REPLY TESTIMONY?

A: The purpose of my reply testimony is to discuss the staff's recommendations in the investigation on the use of expense caps in the earnings calculation for NUSF support and to discuss portions of the testimony filed by Qwest Corporation. I also want to clarify that Dr. David Rosenbaum will not be filing testimony but he will be available at the hearing in case any party wants to ask him questions about the original staff methodology. He will be available for only a short period of time so any questions of Dr. Rosenbaum will be addressed first at the hearing.

Q: AFTER READING THE DIRECT TESTIMONY OF THE INTERESTED PARTIES DO YOU HAVE ANYTHING TO ADD IN RESPONSE?

A: Yes. After reading the testimony of Wayne Culp of Qwest, I feel a response is necessary to his allegation made on the beginning of page four of his testimony that the staff has not provided access to the detailed inputs or the application of the data within the regression analysis. First, I would like to point out that Qwest is the only interested party filing comments and testimony that has not signed or filed the nondisclosure agreement to the Protective Order entered by the Commission on October 15, 2007. In the minutes from the October 16, 2007 Commission meeting, I announced that copies of the company specific data would be made available to those signing the protective agreement. All other parties filing comments in this proceeding have signed the protective agreement in response

to the Commission's Order or the minutes of the Commission's weekly meeting. The staff regression analysis has been made available since October 19, 2007. In addition, the staff announced in the prehearing conference on December 4, 2007 that an updated model would be made available to parties who signed the protective order. It has been several months since the model was initially released and Qwest has not availed itself to the information all other parties have reviewed. In addition, the cost cap calculator has been publicly available on the Commission's website.

Second, obviously the company specific information is confidential in nature. Qwest has been notified either directly through the protective order and nondisclosure agreement or through notice of the minutes of the Commission meetings that it is necessary to sign the protective agreement to receive copies of the company specific inputs to the regression analysis.

Q: IS THERE ANY REASON TO BELIEVE THAT IF QWEST HAD SIGNED THE PROTECTIVE AGREEMENT AND ASKED FOR THE INFORMATION THAT THEY WOULD NOT HAVE RECEIVED IT?

A: No. Every other party signing the protective agreement was given a copy of the CD containing the company specific information. As with every other proceeding where confidential information is used, a protective agreement must be signed in order to obtain that information.

Q: DOES THIS CONCLUDE YOUR TESTIMONY?

A: Yes. I am available for any questions.

Dated: February 15, 2008.

Respectfully Submitted,

JEFFREY PURSLEY, DIRECTOR
NTIPS DEPARTMENT OF THE NEBRASKA
PUBLIC SERVICE COMMISSION

By:



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Certificate of Filing and Service

The undersigned hereby certifies that the Pre-filed Testimony of Jeffrey Pursley, by and through Commission counsel was filed and served this 15th day of February, 2008 via hand delivery on the following:

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